STATE OF ARIZONA FILED

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In the Matter of:

ARNOLD DAVIS,

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STATE OF ARIZONA

DEPARTMENT OF INSURANCE

No. 04A-192-INS

CONSENT ORDER

Respondent.

On December 2, 2004, the State of Arizona, Department of Insurance (the "Department"), issued a Notice of Hearing in the matter of Arnold Davis ("Davis"). Davis wishes to waive his right to a hearing and resolve this matter. Davis admits the following Findings of Fact are true and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

- Arnold Davis ("Davis") is currently and was at all material times licensed as a 1. resident bail bond agent, Arizona license number 171456, which expires on February 28, 2006.
- 2. Davis was first licensed as an Arizona bail bond agent on August 20, 1999, license number 29503, and he renewed that license on June 30, 2001¹. That license expired on June 30, 2003. Davis applied for a new bail bond license (#171456) on February 25, 2004².
- 3. Davis' business address of record with the Department is c/o Quick Out Bail Bond, 5050 N. 8th Place, #3, Phoenix, Arizona 85014. Davis residence address of record with the Department is 5124 N. 31st Place, Unit 538, Phoenix, Arizona 85016.

Count I – Iverson Complaint

4. On June 2, 2004, the Department received a complaint letter from attorney John M. Sears, on behalf of his client, David D. Iverson ("Iverson"). The Complaint alleges that Davis

¹ Davis also filed a Certificate of Assumed Business Name with the Department on June 27, 2001 with the assumed name of "Coconino County Bail Bond".

² Davis was not licensed with the Department from June 30, 2003 to February 25, 2004.

posted a cash bond on behalf of Iverson (In the Flagstaff Justice Court, Case Number J-0301-IA-2001000402) on March 19, 2001. On that same date, the Flagstaff Justice Court discharged the bond for defendant Iverson in the amount of \$13,000.00 in case number "IA01-0402" because no charges were filed. On March 21, 2001, the Flagstaff Justice Court issued check number T 32593 to Coconino County Bail Bonds in the amount of \$13,000.00. Davis deposited the check in his Compass Bank account. Despite repeated demands on March 17, 2004 and April 22, 2004, Davis failed to return the \$13,000.00 to Iverson.

- 5. On or about July 1, 2004, an investigator for the Department contacted Davis by phone regarding the Iverson complaint and was informed to contact Davis' attorney, Ronald Ellett ("Ellett").
- 6. On July 27, 2004, the Department sent a subpoena to Ellett and to Davis at his home address of record ordering Davis to appear at the Department on August 11, 2004 to discuss the Iverson complaint.
- 7. On July 29, 2004, the Department received a letter from Ellett stating that he had not been retained to represent Davis.
- 8. On August 11, 2004, after he failed to appear, an investigator contacted Davis by phone. Davis informed the investigator that his address had recently changed and he had not received the subpoena. During the phone conversation, Davis admitted not returning the cash for the bond to Iverson.

Count II – Minks Complaint

9. On August 12, 2004, the Department received a referral complaint from the Arizona Attorney General which had been filed by Katherine E. Minks ("Minks"). The complaint alleged that on May 24, 2004 Minks wired \$5600.00³ to Davis to purchase a bond for her son, William J. Minks (Pima County Justice Court, case number 2004-3501). On June 2, 2004, William J. Minks'

³ Minks was also charged a \$264.00 fee for wiring the money.

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bond was exonerated by the court. Despite repeated demands by phone in June and July, 2004, Davis failed to return the \$5,000.00 to Minks.

- 10. On August 24, 2004, an investigator for the Department contacted Davis by phone regarding the Minks complaint. Davis informed the investigator that he had no intention of returning the \$5,000.00 to Minks.
- 11. On December 16, 2004, Davis issued a check to Lana Liebow in the amount of \$5,000.00 as return of the Minks collateral. Lana Liebow is the daughter of Ms. Minks and authorized to recover the bond funds on her behalf.

CONCLUSIONS OF LAW

- 1. The Director has jurisdiction over this matter.
- 2. Respondent's conduct, as alleged above, constitutes failure to inform the director in writing within thirty days of any change in the licensee's residential address, in violation of A.R.S. § 20-286(C)(1).
- 3. Respondent's conduct, as alleged above, constitutes failure to return collateral after final termination of liability on a bond within the meaning of A.A.C. R20-6-601(E)(4)(b), a violation of A.R.S. § 20-340-.03(A)(6).
- 4. Respondent's conduct, as alleged above, constitutes the violation of any provision of Title 20, or any rule, subpoena or order of the Director, in violation of A.R.S. § 20-295(A)(2).
- 5. Respondent's conduct, as alleged above, constitutes improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business, a violation of A.R.S. § 20-295(A)(4).
- 6. Respondent's conduct, as alleged above, constitutes using fraudulent, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state, a violation of A.R.S. § 20-295(A)(8).

1	7. Grounds exist to suspend, revoke or refuse to renew Respondent's bail bond agent		
2	license and/or impose a civil penalty, pursuant to A.R.S. §§ 20-295(A) and (F), applicable to bail		
3	bond agents under A.R.S. § 20-340.06.		
4	<u>ORDER</u>		
5	IT IS ORDERED:		
6	1. On or before the expiration of 30 days from the entry of this Consent Order, Davis		
7	shall return to David D. Iverson cash collateral in the amount of \$13,000.00 in one lump sum. Davis		
8	shall provide to the Department proof of payment of the \$13,000.00 in the form of a copy of the		
9	cancelled check or other written acknowledgement by Iverson.		
10	2. The Arizona resident bail bond agent license of Respondent Arnold Davis, license		
11	number 171456, is hereby suspended for a period of one (1) year effective 30 days from the entry of		
12	this Consent Order.		
13	3. The administrative hearing in this matter, currently scheduled for January 25, 2005, at		
14	9:00 a.m., at the Office of Administrative Hearings, is hereby vacated.		
15	DATED AND EFFECTIVE this 10 day of February, 2005.		
16			
17	Por Un		
18	Christina Urias, Director		
19	Arizona Department of Insurance		
20	CONSENT TO ORDER		
21	Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and		
22	Order.		
23	2. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, and		
24	admits the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law		
25	and Order.		

- Respondent is aware of his right to notice and a hearing at which he may be represented by counsel, present evidence and cross-examine witnesses. Respondent irrevocably waives his right to a hearing and to any court appeals relating to this Consent Order.
 - 4. Respondent states that no promise of any kind or nature, except as expressly contained in this Consent Order, was made to him to induce him to enter into this Consent Order, and that he has entered into this Consent Order voluntarily.
 - 5. Respondent acknowledges that the acceptance of this Consent Order by the Director is solely to settle this matter against her and does not preclude any other agency, officer or subdivision of this state from instituting civil or criminal proceedings as may be appropriate now or in the future.

1/24/05	Contract of Den	
Date		Arnold Davis

COPY of the foregoing mailed this

________, 2005, to:

Lewis D. Kowal, Administrative Law Judge Office of Administrative Hearings 1400 W. Washington, Suite 101 Phoenix, Arizona 58007

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Catherine M. O'Neil, Consumer Legal Affairs Officer

Scott Greenberg, Chief Operating Officer

Arnold Sniegowski, Investigations Supervisor

20 Cheryl Hawley, Investigator

Arizona Department of Insurance

21 | 2910 N. 44th Street, Suite 210

Phoenix, Arizona 85018

Mary E. Kosinski

23 Assistant Attorney General 1275 West Washington Street

Phoenix, Arizona 85007

Attorney for the Arizona Department of Insurance

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AND COPY MAILED SAME DATE by Certified Mail, Return Receipt Requested, to:

Jason R. Smith, Esq. 500 East Thomas Road, Suite 235 Phoenix, Arizona 85012 Attorney for Respondent Arnold Davis 5124 N. 31st Place, Unit 538 Phoenix, Arizona 85016 Respondent